GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2914
ANSWERED ON:07.12.2001
TEA FARMERS
P.C. THOMAS

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

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(a) whether tea growers are facing difficulties in the country; (

(b) if so, the details thereof; (

(c) whether the tea growers have submitted Memoranda to address their grievances; (

(d) if so, the details of the demands; and (

(e) the action taken or proposed to be taken on their demands?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (d): Yes, Sir. The tea growers are facing difficulties on account of steep fall in prices over the past two years, due to which most of the tea estates are incurring losses. The overall average auction prices in North & South India have fallen to the level of Rs. 58.34 per kg. and Rs. 41.20 per kg. respectively, during October 2001. In a number of memorandums submitted, tea growers have raised issues, which include addressing the problem of low prices, increase in import duty on tea, promoting exports of tea and extending financial assistance for developmental activities.

(e): The Government and Tea Board have taken various steps to resolve the problems faced by the tea growers. These include implementation of various developmental schemes by the Tea Board under which financial assistance is provided by the Tea Board for encouraging extension planting, replanting, rejuvenation pruning, infilling, creation of irrigation facilities and drainage etc.

To promote Indian Teas in the overseas markets, Tea Board has taken various steps which include registration of Tea Board Logo and Speciality Tea Logo in major tea importing countries, remove bottlenecks in exports to individual markets, participation in major trade fairs/exhibitions abroad; field sampling at speciality stores and in principal markets; media campaign to increase consumer awareness of speciality Indian teas and to popularise the Tea Board marketing symbol; exchange of tea delegations etc. Tea Board has also entrusted a study to an international consultant to prepare a medium term export strategy for boosting exports of tea.

In order to help the tea industry come out of its problems of low price realizations at auctions, Govt./Tea Board has taken various steps which include;

- implementation of a price subsidy scheme during 2000-2001 through the Tea Board under which subsidy was provided to the small growers of tea (holding upto 10.12 hectares of tea plantation) for an amount equal to the shortfall between the auction price and Rs.55 per kg subject to a maximum of Rs. 8 per kg.

- amendment of Tea Marketing Control Order 1984 to remove the condition of obligatory sale of 75% of tea production through public tea auctions

- launch of a Quality Upgradation Programme in the Nilgiris district of Tamil Nadu for improving quality of tea manufactured by small growers

- increase in basic customs duty on tea from 35% to 70% in the Budget of 2001-2002;
- ban on sale of tea in the Domestic Tariff Area by 100% Export Oriented Units (EOUs) and units in Export Processing Zones (EPZs).

- increase in the allowance under the Section 33 AB of Income Tax Act from 20% to 40%

in the Budget 2001-02, designed to enhance productivity and quality through rejuvenation and replantation.